

Estimate changes	↔
TP change	↔
Rating change	↔

Bloomberg	SAPPHIRE IN
Equity Shares (m)	321
M.Cap.(INRb)/(USDb)	69.1 / 0.8
52-Week Range (INR)	368 / 179
1, 6, 12 Rel. Per (%)	-4/-34/-41
12M Avg Val (INR M)	230

#### Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	31.4	35.4	39.7
Sales Gr. (%)	9.1	12.5	12.4
EBITDA	4.7	5.7	6.5
Margins (%)	14.8	16.1	16.5
Adj. PAT	0.0	0.5	0.9
Adj. EPS (INR)	-0.1	1.6	2.7
EPS Gr. (%)	NA	L/P	67.2
BV/Sh.(INR)	43.5	45.1	47.7
<b>Ratios</b>			
RoE (%)	-0.2	3.6	5.8
RoCE (%)	3.3	5.4	6.6
<b>Valuations</b>			
P/E (x)	NA	132.9	79.5
P/BV (x)	4.9	4.7	4.5
EV/Sales (x)	2.1	1.8	1.6
Pre Ind-AS	28.2	20.9	17.2
EV/EBITDA (x)			

#### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	26.1	26.1	26.1
DII	37.6	37.3	38.3
FII	29.2	31.3	30.7
Others	7.2	5.4	4.9

FII includes depository receipts



**CMP: INR215**

**TP: INR300 (+39%)**

**Buy**

#### KFC print improves, all eyes on recovery trend

- Sapphire Foods India (SAPPHIRE) reported revenue growth of 8% YoY (in line) in 3QFY26, backed by a 7% YoY increase in store count. KFC sales growth was at 11% YoY, with SSSG returning to positive after eight quarters at +1% (est. flat; Devyani at -2.9%). The Pizza Hut (PH) franchise remained weak, with revenue declining 11% YoY as same-store sales declined 12% (est. -10%; Devyani -9.1%). Sri Lanka posted healthy revenue growth of 16% YoY (+15% in LKR), driven by 11% LKR SSSG and 6% store growth.
- KFC's ROM saw a sharp recovery, rising 60bp YoY and 500bp QoQ to 18.8% (est. 17.5%), supported by better gross margin (GM) (reduced discounts and rationalized value offer construct). PH's ROM contracted 780bp YoY to -3.1% (est. -1.5%, -1.8% in 2QFY26). Despite healthy growth in Sri Lanka, ROM contracted 110bp YoY to 16.7%, impacted by minimum wage hikes and cyclone-related costs. At the company level, EBITDA (Pre-Ind-AS) declined 5% YoY to INR774m, with a 120bp contraction in margin to 9.5% (in line).
- Weak unit economics have been a big concern for QSR players over the last two years, given the fast store expansion. With expectations of an urban demand recovery, we need to monitor whether positive January trends are sustaining. The Devyani–Sapphire merger is expected to unlock scale benefits and strengthen execution across brands and geographies ([refer to our detailed merger note](#)). SAPPHIRE expects the merger to be completed in 12 months, with CCI approvals coming in the next 3-6 months. We reiterate our **BUY rating on the stock with a TP of INR300 (25x Dec'27 pre-IND-AS EV/EBITDA)**.

#### In-line performance; beat in KFC SSSG and margin

- **KFC shines; PH remains a drag:** Consolidated sales grew 8% YoY to INR8.1b (est: INR8.2b). KFC revenue grew 11% YoY (in line) to INR5.5b, with same-store sales rising 1%, including the Navratri benefit. KFC ADS declined to INR112K, down 3% YoY. PH revenue declined 11% YoY (est. -10%) to INR1.3b, with same-store sales declining 12%. PH ADS decreased 15% YoY to INR41k. PH in Tamil Nadu continued to grow in double digits, backed by mass media advertising. Management alluded that the limited marketing budget has adversely been impacting PH recovery. Sri Lanka sales grew 16% YoY (+15% in LKR terms) to INR1.3b, and SSSG was 11% in LKR terms. ADS grew 11% YoY to INR114k.
- **Store additions on expected lines:** Store count grew 7% YoY to 1,028 in 3Q. The company added net 31 stores during the quarter (27 KFC, 1 PH, and 3 in Sri Lanka).

- **KFC improves operating margins:** Consolidated gross profit grew 8% YoY to INR5.6b (in line). GM expanded marginally by 10bp YoY to 68.7%. Reported EBITDA was flat YoY to INR1.3b (in line), while margins contracted 130bp YoY and expanded 270bp QoQ to 16.5% (in line). Consolidated ROM (Pre-Ind-AS) contracted 50bp YoY to 15%. Consolidated EBITDA Pre-Ind AS contracted 120bp YoY, while it increased 340bp QoQ to 9.5% (in line). EBITDA (Pre-Ind-AS) declined 5% YoY to INR774m (in line). Exceptional items include a one-time impact of INR80m on account of labor code changes and INR31m towards merger-related costs. APAT declined ~70% YoY to INR36m (est. INR48m; INR127m in 3QFY25).

### Highlights from the management commentary

- Similar to other QSR companies, SAPPHIRE also witnessed a demand uptick in January vs 3QFY26. The gap between dine-in and delivery has narrowed for KFC, while delivery continues to lead.
- The decline in dine-in revenue for PH was lower than the decline in delivery. Management alluded that the limited marketing budget for PH is adversely impacting its recovery.
- The merger is expected to take ~12 months; until completion, both entities will operate independently, with strategic planning to commence post-CCI approval (3-6 months).

### Valuation and view

- We maintain our EBITDA estimates for FY26-FY28.
- Weak unit economics have been a big concern for QSR players over the last two years, given the fast store expansion. With expectations of an urban demand recovery, we need to monitor whether positive January trends are sustaining.
- The Devyani-Sapphire merger is expected to unlock scale benefits and strengthen execution across brands and geographies. SAPPHIRE expects the merger to be completed in 12 months, with CCI approvals coming in the next 3-6 months.
- We reiterate our **BUY** rating on the stock with a TP of INR300 (25x Dec'27 pre-IND-AS EV/EBITDA).

### Quarterly Performance

Y/E March	(INR m)											
	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	(%)	
KFC - No. of stores	442	461	496	502	510	529	556	572	502	572	553	
PH - No. of stores	320	323	339	334	336	338	339	344	334	344	338	
KFC - SSSG (%)	-6.0	-8.0	-3.0	-1.0	0.0	-3.0	1.0	2.6	-4.0	0.2	0.0	
PH - SSSG (%)	-7.0	-3.0	5.0	1.0	-8.0	-8.0	-12.0	-4.0	-1.0	-8.0	-10.0	
<b>Net Sales</b>	<b>7,183</b>	<b>6,957</b>	<b>7,565</b>	<b>7,113</b>	<b>7,768</b>	<b>7,424</b>	<b>8,138</b>	<b>8,106</b>	<b>28,819</b>	<b>31,437</b>	<b>8,228</b>	<b>-1.1</b>
YoY change (%)	9.8	8.3	13.7	12.6	8.1	6.7	7.6	14.0	11.1	9.1	8.8	
<b>Gross Profit</b>	<b>4,927</b>	<b>4,786</b>	<b>5,189</b>	<b>4,848</b>	<b>5,235</b>	<b>5,031</b>	<b>5,589</b>	<b>5,430</b>	<b>19,750</b>	<b>21,346</b>	<b>5,642</b>	<b>-1.0</b>
Margin (%)	68.6	68.8	68.6	68.2	67.4	67.8	68.7	67.0	68.5	67.9	68.6	
<b>EBITDA</b>	<b>1,242</b>	<b>1,120</b>	<b>1,343</b>	<b>1,062</b>	<b>1,129</b>	<b>1,021</b>	<b>1,342</b>	<b>1,162</b>	<b>4,768</b>	<b>4,653</b>	<b>1,348</b>	<b>-0.4</b>
EBITDA growth %	2.3	-2.7	10.3	3.2	-9.1	-8.9	-0.1	9.4	3.4	-2.4	0.3	
Margin (%)	17.3	16.1	17.8	14.9	14.5	13.8	16.5	14.3	16.5	14.8	16.4	
<b>EBITDA Pre-IND AS</b>	<b>707</b>	<b>590</b>	<b>811</b>	<b>508</b>	<b>548</b>	<b>450</b>	<b>774</b>	<b>611</b>	<b>2,616</b>	<b>2,383</b>	<b>773</b>	<b>0.1</b>
EBITDA growth %	-8.4	-13.0	12.3	-6.6	-22.5	-23.7	-4.6	20.3	-3.7	-8.9	-4.7	
Margin (%)	9.8	8.5	10.7	7.1	7.1	6.1	9.5	7.5	9.1	7.6	9.4	
Depreciation	904	881	1,005	850	920	972	1,020	1,117	3,639	4,029	1,105	
Interest	273	271	275	298	295	307	315	287	1,116	1,204	303	
Other Income	53	85	105	130	68	92	71	319	372	550	125	
<b>PBT</b>	<b>118</b>	<b>53</b>	<b>168</b>	<b>45</b>	<b>-18</b>	<b>-166</b>	<b>78</b>	<b>76</b>	<b>384</b>	<b>-30</b>	<b>65</b>	<b>20.9</b>
Tax	36	1	41	-14	-1	-38	15	17	64	-7	16	
Rate (%)	30.8	2.2	24.3	-31.7	5.7	22.9	18.6	22.2	16.7	25.2	25.2	
<b>Adjusted PAT</b>	<b>82</b>	<b>23</b>	<b>127</b>	<b>49</b>	<b>-17</b>	<b>-128</b>	<b>36</b>	<b>59</b>	<b>320</b>	<b>-22</b>	<b>48</b>	<b>-26.2</b>
YoY change (%)	-67.1	-84.7	29.5	141.8	-121.2	-649.5	-72.0	20.6	-38.4	-106.9	-62.0	

E: MOFSL Estimates

## Brand-wise performance

### KFC Performance – Returns to positive SSSG after 8 quarters

- Sales grew 11% YoY to INR5.5b (in line), with same-store sale growth at 1% (Navratri benefit included).
- GP grew 12% YoY to INR3.8b, and margins expanded 40bp YoY and 140bp QoQ to 68.6%. The GM expansion was on account of reduced discounts and rationalized value offer construct.
- ROM expanded 15% YoY to INR1b, and margins expanded 60bp YoY and 500bp QoQ to 18.8% (est. 17.5%).
- ADS declined 3% YoY to INR112k.
- The INR299 EPIC Saver value campaign did not yield the desired results. Hence, to attract new customers, the company pivoted toward the INR99 Krisper Chicken Burger Meal in Dine In & Takeaway channels. The initial response of the same has been encouraging.
- The company has added 27 stores for KFC, reaching 556.

### Pizza Hut Performance – Continues to struggle

- Sales declined 11% YoY (est. -10%) to INR1.3b, with same-store sale declining 12%.
- PH Tamil Nadu, SAPPHIRE's exclusive territory, grew double-digit revenue.
- GP declined 12% YoY to INR955m, and margins contracted 70bp YoY, while they expanded 50bp QoQ to 74.9%.
- ROM contracted 160% YoY to INR (-40m), and margins contracted 780bp YoY to -3.1% (est. -1.5%).
- ADS declined 15% YoY to INR41k.
- The company opened 1 store for PH, reaching 339.

### Sri Lanka Performance- Strong growth trajectory

- Sales grew 16% YoY (+15% in LKR terms) to INR1.3b. SSSG was at 11% in LKR terms.
- GP grew 19% YoY to INR855m, and margins expanded 160bp YoY and 40bp QoQ to 63.7%.
- ROM grew 9% YoY to INR224m. Margins contracted 110bp YoY, while they expanded 130bp QoQ to 16.7%. The YoY contraction was on account of the significant increase in minimum wage, which was further impacted by Cyclone-related costs.
- ADS grew 11% YoY to INR114k.
- The company added three stores, bringing the total store count in Sri Lanka to 133.

Brand wise Performance	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	3QFY26E
<b>KFC</b>										
No. of stores	406	429	442	461	496	502	510	529	556	553
Net store addition	25	23	13	19	35	6	8	19	27	24
SSSG (%)	-2	-3	-6	-8	-3	-1	0	-3	1	0
Net sales (INR m)	4,421	4,285	4,770	4,527	4,948	4,793	5,275	4,856	5,509	5,517
YoY growth (%)	16.0	16.1	11.3	8.7	11.9	11.9	10.6	7.3	11.3	11.5
ADS (INR '000)	125	114	122	111	115	108	116	103	112	111
Gross Margins (%)	68.4	68.3	68.2	68.3	68.2	68.0	67.1	67.2	68.6	68.7
Restaurant EBITDA Margin (%)	20.1	18.7	18.8	16.5	18.2	15.7	15.7	13.8	18.8	17.5
Channel mix (%)										
Delivery	38	39	40	42	41	43	43	45	44	40
Dine-in + Takeaway	62	61	60	58	59	57	57	55	56	60
<b>Pizza Hut</b>										
No. of stores	319	319	320	323	339	334	336	338	339	338
Net store addition	8	-	1	3	16	(5)	2	2	1	-
SSSG (%)	(19)	(15)	(7)	(3)	5	1	(8)	(8)	(12)	(10)
Net sales (INR m)	1,305	1,188	1,397	1,376	1,430	1,248	1,320	1,296	1,275	1,283
YoY growth (%)	(4.3)	(2.7)	2.6	3.5	9.6	5.1	(5.5)	(5.8)	(10.8)	(10.3)
ADS (INR '000)	45	41	48	47	48	42	44	42	41	42
Gross Margins (%)	75.7	75.5	76.1	76.5	75.6	74.8	74.6	74.4	74.9	75.5
Restaurant EBITDA Margin (%)	4.6	(2.7)	4.6	4.1	4.7	(4.6)	(2.5)	(1.8)	(3.1)	(1.5)
Channel mix (%)										
Delivery	49	50	50	52	51	52	50	50	47	50
Dine-in + Takeaway	51	50	50	48	49	48	50	50	53	50
<b>Sri Lanka</b>										
No. of stores	121	120	120	121	126	127	128	130	133	132
Net store addition	3	(1)	-	1	5	1	1	2	3	2
SSSG (%)	1	4	11	9	14	16	12	14	11	0
Net sales (INR m)	892	816	978	1,024	1,159	1,066	1,164	1,264	1,342	1,368
YoY growth (%)	22.0	22.3	18.5	18.5	29.9	30.6	19.0	23.4	15.8	18.0
ADS (INR '000)	81	75	89	93	103	95	103	109	114	-
Gross Margins (%)	61.8	61.9	60.6	61.1	62.1	60.6	60.9	63.3	63.7	63.5
Restaurant EBITDA Margin (%)	14.2	12.3	13.2	15.5	17.8	14.8	12.7	15.4	16.7	16.0



## Highlights from the management commentary

### Business environment

- Similar to other QSR companies, SAPPHIRE has also seen demand uptick in January vs 3QFY26. The gap between dine-in and delivery has narrowed for KFC, while delivery continues to lead.
- The decline in dine-in revenue for PH has been lower than the decline in delivery. Management alluded that limited marketing budget for PH is adversely impacting its recovery.
- The company saw an improvement in dine-in from Dec'25-end onwards. The INR99 launch of Krisper Chicken Burger Meal also helped in increasing footfalls.
- The merger is expected to take ~12 months; until completion, both entities will operate independently, with strategic planning to commence post-CCI approval.
- Digital kiosk now covers ~70% of the total stores.
- The company launched the global 'Saucy' concept in Dunked in Jan'26.
- Management indicated that the innovation pipeline remains strong for CY26.
- In 3QFY26, it added 27 KFC restaurants, 1 PH in India, and 3 PH in Sri Lanka. SAPPHIRE's total restaurant count was 1028 as of 31st Dec'25.
- Exceptional items include the one-time impact of INR80m on account of labor code changes and INR31m towards merger-related costs.

### Segmental information

#### KFC

- SAPPHIRE reported KFC SSSG of 1% for the quarter (Navratri benefit included). The company delivered a healthy restaurant EBITDA margin of 18.8% (+ 60bp) on the back of GM expansion and cost efficiencies.
- **The GM expansion was on account of reduced discounts and a rationalized value offer construct.**
- SSSG and SSTG are largely in the similar range.
- The INR299 EPIC Saver value campaign did not yield the desired results; hence, to attract new customers, the company pivoted towards the INR99 Krisper Chicken Burger Meal in Dine In & Takeaway channels. The initial response to the same has been encouraging.
- The Krisper Chicken Burger was available in ~25% of stores as of Dec'25, which was increased to 33% as of Jan'26.
- **The INR99 launch is expected to be dilutive in nature (impact of 50-60bp on GM); however, the increase in SSSG and improved footfalls are likely to offset the same.**
- The company has opened 60 KFC stores in CY25, and going ahead, it plans to open 60-80 stores in CY26.
- App downloads for KFC was 63m, with 2.1m monthly active users.
- Digital kiosks are now implemented across more than 70% of KFC restaurants, enhancing efficiency and customer experience.

#### PH

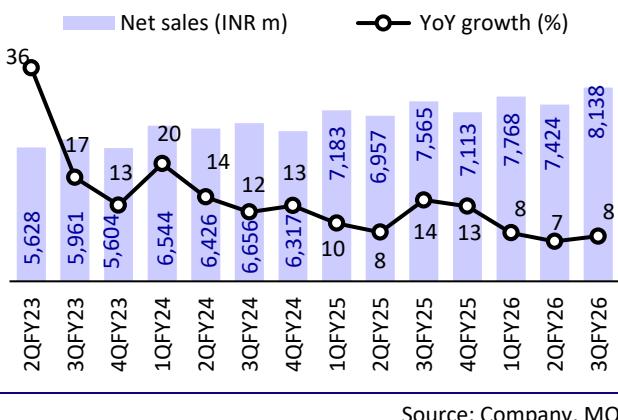
- PH Tamil Nadu continues to deliver positive double-digit delta performance over the rest of the country.
- SAPPHIRE is focused on improving the dine-in speed of service metrics.
- The Ultimate Cheese Pizza and Cheesy Pocket was launched in Oct'25 and New Crafted Flatzz launched in Jan'26. The company has a strong innovation pipeline ahead.
- It launched exclusive value offerings on Dine-In (Buy1 Get3, 4 Course Meal starting INR99, Unlimited Pizza Fridays).
- The lack of marketing and consumer awareness initiatives hampers new launches and value offerings offtake.
- App downloads for PH exceeded 20m, with more than 1m monthly active users.

#### Sri Lanka business

- In Sri Lanka, the business continued to deliver strong performance under the same dine-in forward omni-channel strategy, supported by consistent innovation and marketing investments.
- The Sri Lanka business recorded double-digit SSSG of 11% in LKR terms.
- Restaurant-level EBITDA stood at 16.7%, down 110bp YoY on account of a significant increase in minimum wage, and was further impacted by Cyclone-related costs.
- SAPPHIRE opened seven stores in CY25 and expects the same pace of store additions to continue in CY26.

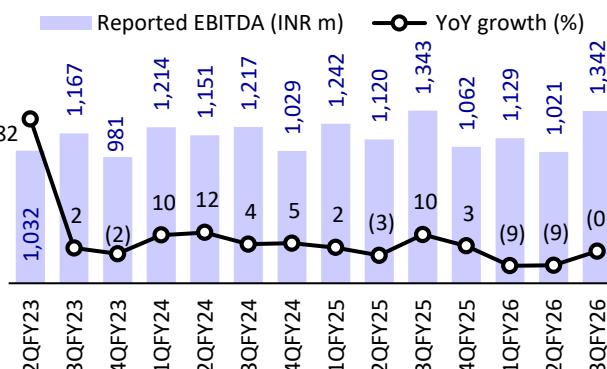
## Key exhibits

### Exhibit 1: Net sales grew 8% YoY to INR8.1b



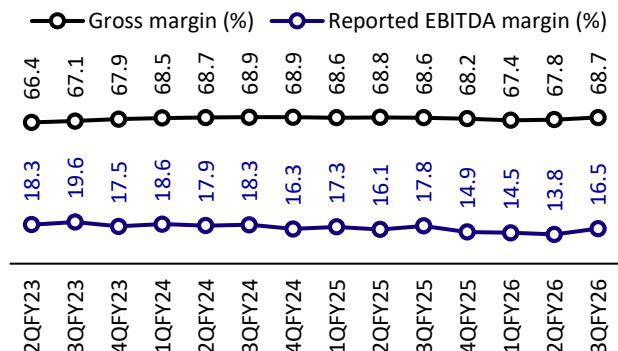
Source: Company, MOFSL

### Exhibit 2: EBITDA declined 0.1% YoY to INR1b



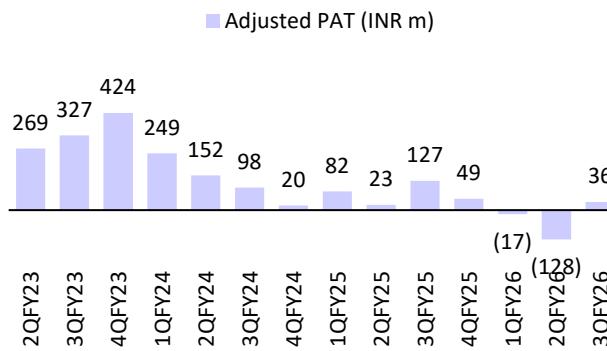
Source: Company, MOFSL

### Exhibit 3: Gross margin expanded 10bp YoY to 68.7%, while EBITDA margin contracted 130bp YoY to 16.5%



Source: MOFSL, Company

### Exhibit 4: Reported profit after tax at INR36m



Source: MOFSL, Company

### Valuation and view

- We maintain our EBITDA estimates for FY26-FY28.
- Weak unit economics have been a big concern for QSR players over the last two years, given the fast store expansion. With expectations of an urban demand recovery, we need to monitor whether positive January trends are sustaining.
- The Devyani-Sapphire merger is expected to unlock scale benefits and strengthen execution across brands and geographies. SAPPHIRE expects the merger to be completed in 12 months, with CCI approvals coming in the next 3-6 months.
- We reiterate our **BUY** rating on the stock with a TP of INR300 (25x Dec'27 pre-IND-AS EV/EBITDA).

### Exhibit 5: We maintain our EBITDA estimates for FY26-FY28

(INR b)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26	FY27E	FY28E
Net Sales	31.4	35.4	39.7	31.5	35.4	39.6	-0.1	0.0	0.3
EBITDA	4.7	5.7	6.5	4.6	5.7	6.4	0.5	-0.8	1.7
Adjusted PAT	0.0	0.5	0.9	0.0	0.5	0.8	-44.9	-6.4	10.3

Source: Company, MOFSL

## Financials and valuations

Income Statement consol.									
	(INR m)								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Net Sales</b>	<b>13,404</b>	<b>10,196</b>	<b>17,216</b>	<b>22,656</b>	<b>25,943</b>	<b>28,819</b>	<b>31,437</b>	<b>35,372</b>	<b>39,742</b>
Change (%)	12.3	-23.9	68.8	31.6	14.5	11.1	9.1	12.5	12.4
Raw Materials	4,317	3,099	5,278	7,407	8,109	9,068	10,091	11,242	12,556
<b>Gross Profit</b>	<b>9,087</b>	<b>7,097</b>	<b>11,938</b>	<b>15,249</b>	<b>17,834</b>	<b>19,750</b>	<b>21,346</b>	<b>24,130</b>	<b>27,186</b>
Margin (%)	67.8	69.6	69.3	67.3	68.7	68.5	67.9	68.2	68.4
Operating Expenses	7,232	5,853	8,888	10,965	13,221	14,983	16,693	18,439	20,641
<b>EBITDA</b>	<b>1,856</b>	<b>1,244</b>	<b>3,050</b>	<b>4,284</b>	<b>4,613</b>	<b>4,768</b>	<b>4,653</b>	<b>5,691</b>	<b>6,545</b>
Change (%)	27.1	-33.0	145.2	40.4	7.7	3.4	-2.4	22.3	15.0
Margin (%)	13.8	12.2	17.7	18.9	17.8	16.5	14.8	16.1	16.5
Depreciation	1,913	2,091	2,135	2,642	3,239	3,639	4,029	4,429	4,874
Int. and Fin. Charges	722	756	781	869	1,009	1,116	1,204	1,325	1,478
Other Income	113	616	380	311	334	372	550	750	957
<b>Profit before Taxes</b>	<b>-666</b>	<b>-987</b>	<b>514</b>	<b>1,084</b>	<b>699</b>	<b>384</b>	<b>-30</b>	<b>688</b>	<b>1,150</b>
Change (%)	-2.5	48.2	-152.1	111.0	-35.5	-45.0	NA	NA	67.2
Margin (%)	-5.0	-9.7	3.0	4.8	2.7	1.3	-0.1	1.9	2.9
Total tax	-17	12	54	-7	180	64	-7	173	290
Tax Rate (%)	2.6	-1.2	10.5	-0.6	25.7	16.7	25.2	25.2	25.2
<b>Adjusted PAT</b>	<b>-649</b>	<b>-999</b>	<b>460</b>	<b>1,091</b>	<b>520</b>	<b>320</b>	<b>NA</b>	<b>NA</b>	<b>861</b>
Change (%)	-6.6	54.0	-146.0	137.2	-52.4	-38.4	-106.9	-2,416.4	67.2
Margin (%)	-4.8	-9.8	2.7	4.8	2.0	1.1	-0.1	1.5	2.2
<b>Reported PAT</b>	<b>-1,592</b>	<b>-999</b>	<b>460</b>	<b>2,364</b>	<b>520</b>	<b>167</b>	<b>-22</b>	<b>515</b>	<b>861</b>

Balance Sheet									
	(INR m)								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	502	528	635	635	637	642	642	642	642
Reserves	4,742	4,271	9,436	11,924	12,754	13,338	13,316	13,831	14,692
<b>Net Worth</b>	<b>5,245</b>	<b>4,799</b>	<b>10,071</b>	<b>12,559</b>	<b>13,391</b>	<b>13,981</b>	<b>13,958</b>	<b>14,473</b>	<b>15,334</b>
Loans	712	757	612	443	276	199	59	41	100
Other Liability	5,744	5,692	7,280	9,185	11,363	12,723	13,886	15,247	16,568
Minority Interest	3	-12	-17	-20	7	-19	-19	-19	-19
Deferred tax liability (net)	117	107	87	-1,184	-1,095	-1,098	-1,098	-1,098	-1,098
<b>Capital Employed</b>	<b>11,820</b>	<b>11,343</b>	<b>18,034</b>	<b>20,983</b>	<b>23,942</b>	<b>25,786</b>	<b>26,786</b>	<b>28,561</b>	<b>30,885</b>
Gross Block	6,567	6,905	8,948	12,134	14,622	16,438	17,867	19,814	21,746
Less: Accum. Depn.	2,221	2,974	3,487	4,428	4,998	6,252	8,058	10,036	12,218
<b>Net Fixed Assets</b>	<b>4,346</b>	<b>3,932</b>	<b>5,462</b>	<b>7,706</b>	<b>9,624</b>	<b>10,185</b>	<b>9,809</b>	<b>9,778</b>	<b>9,528</b>
Capital WIP	184	213	320	550	673	567	300	300	300
Goodwill	1,622	1,622	1,622	1,622	1,622	1,583	1,583	1,583	1,583
Other Intangible assets	719	642	573	661	720	680	626	540	440
Right to Use Assets	4,953	4,739	6,249	7,915	9,818	10,935	12,098	13,459	14,780
<b>Investments</b>	<b>155</b>	<b>267</b>	<b>1,525</b>	<b>659</b>	<b>0</b>	<b>1,437</b>	<b>1,437</b>	<b>1,437</b>	<b>1,437</b>
<b>Curr. Assets, L&amp;A</b>	<b>1,828</b>	<b>2,074</b>	<b>5,890</b>	<b>5,607</b>	<b>4,815</b>	<b>3,909</b>	<b>4,762</b>	<b>5,573</b>	<b>7,228</b>
Inventory	444	474	652	993	969	956	1,064	1,185	1,324
Account Receivables	46	78	141	179	344	366	399	449	504
Cash and Bank Balance	392	500	2,546	2,204	1,676	783	1,245	1,530	2,585
Others	947	1,022	2,551	2,231	1,826	1,804	2,054	2,408	2,815
<b>Curr. Liab. and Prov.</b>	<b>1,987</b>	<b>2,147</b>	<b>3,605</b>	<b>3,738</b>	<b>3,330</b>	<b>3,509</b>	<b>3,828</b>	<b>4,107</b>	<b>4,411</b>
Account Payables	1,307	1,440	1,991	2,170	2,308	2,425	2,699	3,006	3,358
Other Liabilities	529	544	1,438	1,391	793	800	752	684	592
Provisions	151	163	176	177	229	284	378	417	462
<b>Net Current Assets</b>	<b>-158</b>	<b>-73</b>	<b>2,285</b>	<b>1,870</b>	<b>1,485</b>	<b>399</b>	<b>934</b>	<b>1,465</b>	<b>2,817</b>
<b>Application of Funds</b>	<b>11,820</b>	<b>11,343</b>	<b>18,034</b>	<b>20,983</b>	<b>23,943</b>	<b>25,786</b>	<b>26,786</b>	<b>28,561</b>	<b>30,885</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>									
EPS	<b>-2.6</b>	<b>-3.8</b>	<b>1.4</b>	<b>3.4</b>	<b>1.6</b>	<b>1.0</b>	<b>-0.1</b>	<b>1.6</b>	<b>2.7</b>
Cash EPS	5.0	4.1	8.2	11.7	11.8	12.3	12.5	15.4	17.9
BV/Share	20.9	18.2	31.7	39.5	42.0	43.5	43.5	45.1	47.7
<b>Valuation (x)</b>									
P/E	N/M	N/M	147.2	62.0	130.6	213.8	NA	132.9	79.5
Cash P/E	42.3	51.5	26.1	18.1	18.1	17.3	17.1	13.8	11.9
EV/Sales	4.0	5.5	3.7	2.9	2.6	2.3	2.1	1.8	1.6
EV/EBITDA	28.9	45.2	21.1	15.2	14.4	13.9	14.1	11.5	9.9
EV/EBITDA (Pre Ind AS)	81.1	147.2	35.5	24.7	24.5	25.4	27.6	20.4	16.8
P/BV	10.2	11.7	6.7	5.4	5.1	4.9	4.9	4.7	4.5
<b>Return Ratios (%)</b>									
RoE	-14.0	-19.9	6.2	9.6	4.0	2.3	-0.2	3.6	5.8
RoCE	0.5	-2.0	7.9	10.1	5.7	5.0	3.3	5.4	6.6
RoIC	-0.6	-7.8	6.3	9.9	5.1	4.1	1.9	3.6	4.6
<b>Working Capital Ratios</b>									
Debtor (Days)	1	3	3	3	5	5	5	5	5
Asset Turnover (x)	1.1	0.9	1.0	1.1	1.1	1.1	1.2	1.2	1.3
<b>Leverage Ratio</b>									
Debt/Equity (x)	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0

### Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before Tax	-1,610	-987	514	1,084	699	231	-30	688	1,150
Depreciation	1,913	2,091	2,135	2,642	3,239	3,639	4,029	4,429	4,874
Net interest	722	756	781	869	1,009	1,116	1,204	1,325	1,478
Others	950	-409	-10	-86	-122	-9	-550	-750	-957
Direct Taxes Paid	0	-28	-63	-21	-20	-42	7	-173	-290
(Incr)/Decr in WC	155	118	592	-669	-317	144	7	-117	-154
<b>CF from Operations</b>	<b>2,130</b>	<b>1,541</b>	<b>3,949</b>	<b>3,818</b>	<b>4,488</b>	<b>5,080</b>	<b>4,668</b>	<b>5,401</b>	<b>6,102</b>
Incr in FA	-1,430	-740	-2,853	-3,842	-3,851	-2,631	-1,073	-1,947	-1,932
<b>Free Cash Flow</b>	<b>701</b>	<b>801</b>	<b>1,096</b>	<b>-23</b>	<b>637</b>	<b>2,449</b>	<b>3,595</b>	<b>3,454</b>	<b>4,170</b>
Pur of Investments	1,409	-39	-4,063	1,806	1,982	-1,350	-48	-67	-70
Others	-2,063	-159	1,884	-176	-1,022	113	189	464	657
<b>CF from Invest.</b>	<b>-2,083</b>	<b>-938</b>	<b>-5,032</b>	<b>-2,212</b>	<b>-2,891</b>	<b>-3,868</b>	<b>-932</b>	<b>-1,550</b>	<b>-1,345</b>
Issue of Shares	0	444	4,690	0	83	227	0	0	0
Incr in Debt	-822	-180	-780	-1,084	-1,203	-1,216	-118	-76	168
Dividend Paid	0	0	0	0	0	0	0	0	0
Net interest Paid	-699	-758	-780	-864	-1,005	-1,117	-3,155	-3,490	-3,870
Others									
<b>CF from Fin. Activity</b>	<b>-1,520</b>	<b>-494</b>	<b>3,130</b>	<b>-1,948</b>	<b>-2,125</b>	<b>-2,106</b>	<b>-3,274</b>	<b>-3,566</b>	<b>-3,702</b>
<b>Incr/Decr of Cash</b>	<b>-1,473</b>	<b>109</b>	<b>2,046</b>	<b>-342</b>	<b>-528</b>	<b>-894</b>	<b>462</b>	<b>285</b>	<b>1,055</b>
Add: Opening Balance	1,865	392	500	2,546	2,204	1,676	783	1,245	1,530
<b>Closing Balance</b>	<b>392</b>	<b>500</b>	<b>2,546</b>	<b>2,204</b>	<b>1,676</b>	<b>783</b>	<b>1,245</b>	<b>1,530</b>	<b>2,585</b>

E: MOFSL Estimates

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN.: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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